

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 11-74.4-3 and 11-74.4-7 as follows:

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

7 Sec. 11-74.4-3. Definitions. The following terms,  
8 wherever used or referred to in this Division 74.4 shall have  
9 the following respective meanings, unless in any case a  
10 different meaning clearly appears from the context.

11 (a) For any redevelopment project area that has been  
12 designated pursuant to this Section by an ordinance adopted  
13 prior to November 1, 1999 (the effective date of Public Act  
14 91-478), "blighted area" shall have the meaning set forth in  
15 this Section prior to that date.

16 On and after November 1, 1999, "blighted area" means any  
17 improved or vacant area within the boundaries of a  
18 redevelopment project area located within the territorial  
19 limits of the municipality where:

20 (1) If improved, industrial, commercial, and  
21 residential buildings or improvements are detrimental to  
22 the public safety, health, or welfare because of a  
23 combination of 5 or more of the following factors, each  
24 of which is (i) present, with that presence documented,  
25 to a meaningful extent so that a municipality may  
26 reasonably find that the factor is clearly present within  
27 the intent of the Act and (ii) reasonably distributed  
28 throughout the improved part of the redevelopment project  
29 area:

30 (A) Dilapidation. An advanced state of  
31 disrepair or neglect of necessary repairs to the

1 primary structural components of buildings or  
2 improvements in such a combination that a documented  
3 building condition analysis determines that major  
4 repair is required or the defects are so serious and  
5 so extensive that the buildings must be removed.

6 (B) Obsolescence. The condition or process of  
7 falling into disuse. Structures have become  
8 ill-suited for the original use.

9 (C) Deterioration. With respect to buildings,  
10 defects including, but not limited to, major defects  
11 in the secondary building components such as doors,  
12 windows, porches, gutters and downspouts, and  
13 fascia. With respect to surface improvements, that  
14 the condition of roadways, alleys, curbs, gutters,  
15 sidewalks, off-street parking, and surface storage  
16 areas evidence deterioration, including, but not  
17 limited to, surface cracking, crumbling, potholes,  
18 depressions, loose paving material, and weeds  
19 protruding through paved surfaces.

20 (D) Presence of structures below minimum code  
21 standards. All structures that do not meet the  
22 standards of zoning, subdivision, building, fire,  
23 and other governmental codes applicable to property,  
24 but not including housing and property maintenance  
25 codes.

26 (E) Illegal use of individual structures. The  
27 use of structures in violation of applicable  
28 federal, State, or local laws, exclusive of those  
29 applicable to the presence of structures below  
30 minimum code standards.

31 (F) Excessive vacancies. The presence of  
32 buildings that are unoccupied or under-utilized and  
33 that represent an adverse influence on the area  
34 because of the frequency, extent, or duration of the

1 vacancies.

2 (G) Lack of ventilation, light, or sanitary  
3 facilities. The absence of adequate ventilation for  
4 light or air circulation in spaces or rooms without  
5 windows, or that require the removal of dust, odor,  
6 gas, smoke, or other noxious airborne materials.  
7 Inadequate natural light and ventilation means the  
8 absence of skylights or windows for interior spaces  
9 or rooms and improper window sizes and amounts by  
10 room area to window area ratios. Inadequate  
11 sanitary facilities refers to the absence or  
12 inadequacy of garbage storage and enclosure,  
13 bathroom facilities, hot water and kitchens, and  
14 structural inadequacies preventing ingress and  
15 egress to and from all rooms and units within a  
16 building.

17 (H) Inadequate utilities. Underground and  
18 overhead utilities such as storm sewers and storm  
19 drainage, sanitary sewers, water lines, and gas,  
20 telephone, and electrical services that are shown to  
21 be inadequate. Inadequate utilities are those that  
22 are: (i) of insufficient capacity to serve the uses  
23 in the redevelopment project area, (ii)  
24 deteriorated, antiquated, obsolete, or in disrepair,  
25 or (iii) lacking within the redevelopment project  
26 area.

27 (I) Excessive land coverage and overcrowding  
28 of structures and community facilities. The  
29 over-intensive use of property and the crowding of  
30 buildings and accessory facilities onto a site.  
31 Examples of problem conditions warranting the  
32 designation of an area as one exhibiting excessive  
33 land coverage are: (i) the presence of buildings  
34 either improperly situated on parcels or located on

1 parcels of inadequate size and shape in relation to  
2 present-day standards of development for health and  
3 safety and (ii) the presence of multiple buildings  
4 on a single parcel. For there to be a finding of  
5 excessive land coverage, these parcels must exhibit  
6 one or more of the following conditions:  
7 insufficient provision for light and air within or  
8 around buildings, increased threat of spread of fire  
9 due to the close proximity of buildings, lack of  
10 adequate or proper access to a public right-of-way,  
11 lack of reasonably required off-street parking, or  
12 inadequate provision for loading and service.

13 (J) Deleterious land use or layout. The  
14 existence of incompatible land-use relationships,  
15 buildings occupied by inappropriate mixed-uses, or  
16 uses considered to be noxious, offensive, or  
17 unsuitable for the surrounding area.

18 (K) Environmental clean-up. The proposed  
19 redevelopment project area has incurred Illinois  
20 Environmental Protection Agency or United States  
21 Environmental Protection Agency remediation costs  
22 for, or a study conducted by an independent  
23 consultant recognized as having expertise in  
24 environmental remediation has determined a need for,  
25 the clean-up of hazardous waste, hazardous  
26 substances, or underground storage tanks required by  
27 State or federal law, provided that the remediation  
28 costs constitute a material impediment to the  
29 development or redevelopment of the redevelopment  
30 project area.

31 (L) Lack of community planning. The proposed  
32 redevelopment project area was developed prior to or  
33 without the benefit or guidance of a community plan.  
34 This means that the development occurred prior to

1 the adoption by the municipality of a comprehensive  
2 or other community plan or that the plan was not  
3 followed at the time of the area's development.  
4 This factor must be documented by evidence of  
5 adverse or incompatible land-use relationships,  
6 inadequate street layout, improper subdivision,  
7 parcels of inadequate shape and size to meet  
8 contemporary development standards, or other  
9 evidence demonstrating an absence of effective  
10 community planning.

11 (M) The total equalized assessed value of the  
12 proposed redevelopment project area has declined for  
13 3 of the last 5 calendar years prior to the year in  
14 which the redevelopment project area is designated  
15 or is increasing at an annual rate that is less than  
16 the balance of the municipality for 3 of the last 5  
17 calendar years for which information is available or  
18 is increasing at an annual rate that is less than  
19 the Consumer Price Index for All Urban Consumers  
20 published by the United States Department of Labor  
21 or successor agency for 3 of the last 5 calendar  
22 years prior to the year in which the redevelopment  
23 project area is designated.

24 (2) If vacant, the sound growth of the  
25 redevelopment project area is impaired by a combination  
26 of 2 or more of the following factors, each of which is  
27 (i) present, with that presence documented, to a  
28 meaningful extent so that a municipality may reasonably  
29 find that the factor is clearly present within the intent  
30 of the Act and (ii) reasonably distributed throughout the  
31 vacant part of the redevelopment project area to which it  
32 pertains:

33 (A) Obsolete platting of vacant land that  
34 results in parcels of limited or narrow size or

1 configurations of parcels of irregular size or shape  
2 that would be difficult to develop on a planned  
3 basis and in a manner compatible with contemporary  
4 standards and requirements, or platting that failed  
5 to create rights-of-ways for streets or alleys or  
6 that created inadequate right-of-way widths for  
7 streets, alleys, or other public rights-of-way or  
8 that omitted easements for public utilities.

9 (B) Diversity of ownership of parcels of  
10 vacant land sufficient in number to retard or impede  
11 the ability to assemble the land for development.

12 (C) Tax and special assessment delinquencies  
13 exist or the property has been the subject of tax  
14 sales under the Property Tax Code within the last 5  
15 years.

16 (D) Deterioration of structures or site  
17 improvements in neighboring areas adjacent to the  
18 vacant land.

19 (E) The area has incurred Illinois  
20 Environmental Protection Agency or United States  
21 Environmental Protection Agency remediation costs  
22 for, or a study conducted by an independent  
23 consultant recognized as having expertise in  
24 environmental remediation has determined a need for,  
25 the clean-up of hazardous waste, hazardous  
26 substances, or underground storage tanks required by  
27 State or federal law, provided that the remediation  
28 costs constitute a material impediment to the  
29 development or redevelopment of the redevelopment  
30 project area.

31 (F) The total equalized assessed value of the  
32 proposed redevelopment project area has declined for  
33 3 of the last 5 calendar years prior to the year in  
34 which the redevelopment project area is designated

1 or is increasing at an annual rate that is less than  
2 the balance of the municipality for 3 of the last 5  
3 calendar years for which information is available or  
4 is increasing at an annual rate that is less than  
5 the Consumer Price Index for All Urban Consumers  
6 published by the United States Department of Labor  
7 or successor agency for 3 of the last 5 calendar  
8 years prior to the year in which the redevelopment  
9 project area is designated.

10 (3) If vacant, the sound growth of the  
11 redevelopment project area is impaired by one of the  
12 following factors that (i) is present, with that presence  
13 documented, to a meaningful extent so that a municipality  
14 may reasonably find that the factor is clearly present  
15 within the intent of the Act and (ii) is reasonably  
16 distributed throughout the vacant part of the  
17 redevelopment project area to which it pertains:

18 (A) The area consists of one or more unused  
19 quarries, mines, or strip mine ponds.

20 (B) The area consists of unused railyards,  
21 rail tracks, or railroad rights-of-way.

22 (C) The area, prior to its designation, is  
23 subject to (i) chronic flooding that adversely  
24 impacts on real property in the area as certified by  
25 a registered professional engineer or appropriate  
26 regulatory agency or (ii) surface water that  
27 discharges from all or a part of the area and  
28 contributes to flooding within the same watershed,  
29 but only if the redevelopment project provides for  
30 facilities or improvements to contribute to the  
31 alleviation of all or part of the flooding.

32 (D) The area consists of an unused or illegal  
33 disposal site containing earth, stone, building  
34 debris, or similar materials that were removed from

1 construction, demolition, excavation, or dredge  
2 sites.

3 (E) Prior to November 1, 1999, the area is not  
4 less than 50 nor more than 100 acres and 75% of  
5 which is vacant (notwithstanding that the area has  
6 been used for commercial agricultural purposes  
7 within 5 years prior to the designation of the  
8 redevelopment project area), and the area meets at  
9 least one of the factors itemized in paragraph (1)  
10 of this subsection, the area has been designated as  
11 a town or village center by ordinance or  
12 comprehensive plan adopted prior to January 1, 1982,  
13 and the area has not been developed for that  
14 designated purpose.

15 (F) The area qualified as a blighted improved  
16 area immediately prior to becoming vacant, unless  
17 there has been substantial private investment in the  
18 immediately surrounding area.

19 (b) For any redevelopment project area that has been  
20 designated pursuant to this Section by an ordinance adopted  
21 prior to November 1, 1999 (the effective date of Public Act  
22 91-478), "conservation area" shall have the meaning set forth  
23 in this Section prior to that date.

24 On and after November 1, 1999, "conservation area" means  
25 any improved area within the boundaries of a redevelopment  
26 project area located within the territorial limits of the  
27 municipality in which 50% or more of the structures in the  
28 area have an age of 35 years or more. Such an area is not  
29 yet a blighted area but because of a combination of 3 or more  
30 of the following factors is detrimental to the public safety,  
31 health, morals or welfare and such an area may become a  
32 blighted area:

33 (1) Dilapidation. An advanced state of disrepair  
34 or neglect of necessary repairs to the primary structural

1 components of buildings or improvements in such a  
2 combination that a documented building condition analysis  
3 determines that major repair is required or the defects  
4 are so serious and so extensive that the buildings must  
5 be removed.

6 (2) Obsolescence. The condition or process of  
7 falling into disuse. Structures have become ill-suited  
8 for the original use.

9 (3) Deterioration. With respect to buildings,  
10 defects including, but not limited to, major defects in  
11 the secondary building components such as doors, windows,  
12 porches, gutters and downspouts, and fascia. With  
13 respect to surface improvements, that the condition of  
14 roadways, alleys, curbs, gutters, sidewalks, off-street  
15 parking, and surface storage areas evidence  
16 deterioration, including, but not limited to, surface  
17 cracking, crumbling, potholes, depressions, loose paving  
18 material, and weeds protruding through paved surfaces.

19 (4) Presence of structures below minimum code  
20 standards. All structures that do not meet the standards  
21 of zoning, subdivision, building, fire, and other  
22 governmental codes applicable to property, but not  
23 including housing and property maintenance codes.

24 (5) Illegal use of individual structures. The use  
25 of structures in violation of applicable federal, State,  
26 or local laws, exclusive of those applicable to the  
27 presence of structures below minimum code standards.

28 (6) Excessive vacancies. The presence of buildings  
29 that are unoccupied or under-utilized and that represent  
30 an adverse influence on the area because of the  
31 frequency, extent, or duration of the vacancies.

32 (7) Lack of ventilation, light, or sanitary  
33 facilities. The absence of adequate ventilation for  
34 light or air circulation in spaces or rooms without

1 windows, or that require the removal of dust, odor, gas,  
2 smoke, or other noxious airborne materials. Inadequate  
3 natural light and ventilation means the absence or  
4 inadequacy of skylights or windows for interior spaces or  
5 rooms and improper window sizes and amounts by room area  
6 to window area ratios. Inadequate sanitary facilities  
7 refers to the absence or inadequacy of garbage storage  
8 and enclosure, bathroom facilities, hot water and  
9 kitchens, and structural inadequacies preventing ingress  
10 and egress to and from all rooms and units within a  
11 building.

12 (8) Inadequate utilities. Underground and overhead  
13 utilities such as storm sewers and storm drainage,  
14 sanitary sewers, water lines, and gas, telephone, and  
15 electrical services that are shown to be inadequate.  
16 Inadequate utilities are those that are: (i) of  
17 insufficient capacity to serve the uses in the  
18 redevelopment project area, (ii) deteriorated,  
19 antiquated, obsolete, or in disrepair, or (iii) lacking  
20 within the redevelopment project area.

21 (9) Excessive land coverage and overcrowding of  
22 structures and community facilities. The over-intensive  
23 use of property and the crowding of buildings and  
24 accessory facilities onto a site. Examples of problem  
25 conditions warranting the designation of an area as one  
26 exhibiting excessive land coverage are: the presence of  
27 buildings either improperly situated on parcels or  
28 located on parcels of inadequate size and shape in  
29 relation to present-day standards of development for  
30 health and safety and the presence of multiple buildings  
31 on a single parcel. For there to be a finding of  
32 excessive land coverage, these parcels must exhibit one  
33 or more of the following conditions: insufficient  
34 provision for light and air within or around buildings,

1 increased threat of spread of fire due to the close  
2 proximity of buildings, lack of adequate or proper access  
3 to a public right-of-way, lack of reasonably required  
4 off-street parking, or inadequate provision for loading  
5 and service.

6 (10) Deleterious land use or layout. The existence  
7 of incompatible land-use relationships, buildings  
8 occupied by inappropriate mixed-uses, or uses considered  
9 to be noxious, offensive, or unsuitable for the  
10 surrounding area.

11 (11) Lack of community planning. The proposed  
12 redevelopment project area was developed prior to or  
13 without the benefit or guidance of a community plan. This  
14 means that the development occurred prior to the adoption  
15 by the municipality of a comprehensive or other community  
16 plan or that the plan was not followed at the time of the  
17 area's development. This factor must be documented by  
18 evidence of adverse or incompatible land-use  
19 relationships, inadequate street layout, improper  
20 subdivision, parcels of inadequate shape and size to meet  
21 contemporary development standards, or other evidence  
22 demonstrating an absence of effective community planning.

23 (12) The area has incurred Illinois Environmental  
24 Protection Agency or United States Environmental  
25 Protection Agency remediation costs for, or a study  
26 conducted by an independent consultant recognized as  
27 having expertise in environmental remediation has  
28 determined a need for, the clean-up of hazardous waste,  
29 hazardous substances, or underground storage tanks  
30 required by State or federal law, provided that the  
31 remediation costs constitute a material impediment to the  
32 development or redevelopment of the redevelopment project  
33 area.

34 (13) The total equalized assessed value of the

1 proposed redevelopment project area has declined for 3 of  
2 the last 5 calendar years for which information is  
3 available or is increasing at an annual rate that is less  
4 than the balance of the municipality for 3 of the last 5  
5 calendar years for which information is available or is  
6 increasing at an annual rate that is less than the  
7 Consumer Price Index for All Urban Consumers published by  
8 the United States Department of Labor or successor agency  
9 for 3 of the last 5 calendar years for which information  
10 is available.

11 (c) "Industrial park" means an area in a blighted or  
12 conservation area suitable for use by any manufacturing,  
13 industrial, research or transportation enterprise, of  
14 facilities to include but not be limited to factories, mills,  
15 processing plants, assembly plants, packing plants,  
16 fabricating plants, industrial distribution centers,  
17 warehouses, repair overhaul or service facilities, freight  
18 terminals, research facilities, test facilities or railroad  
19 facilities.

20 (d) "Industrial park conservation area" means an area  
21 within the boundaries of a redevelopment project area located  
22 within the territorial limits of a municipality that is a  
23 labor surplus municipality or within 1 1/2 miles of the  
24 territorial limits of a municipality that is a labor surplus  
25 municipality if the area is annexed to the municipality;  
26 which area is zoned as industrial no later than at the time  
27 the municipality by ordinance designates the redevelopment  
28 project area, and which area includes both vacant land  
29 suitable for use as an industrial park and a blighted area or  
30 conservation area contiguous to such vacant land.

31 (e) "Labor surplus municipality" means a municipality in  
32 which, at any time during the 6 months before the  
33 municipality by ordinance designates an industrial park  
34 conservation area, the unemployment rate was over 6% and was

1 also 100% or more of the national average unemployment rate  
2 for that same time as published in the United States  
3 Department of Labor Bureau of Labor Statistics publication  
4 entitled "The Employment Situation" or its successor  
5 publication. For the purpose of this subsection, if  
6 unemployment rate statistics for the municipality are not  
7 available, the unemployment rate in the municipality shall be  
8 deemed to be the same as the unemployment rate in the  
9 principal county in which the municipality is located.

10 (f) "Municipality" shall mean a city, village or  
11 incorporated town.

12 (g) "Initial Sales Tax Amounts" means the amount of  
13 taxes paid under the Retailers' Occupation Tax Act, Use Tax  
14 Act, Service Use Tax Act, the Service Occupation Tax Act, the  
15 Municipal Retailers' Occupation Tax Act, and the Municipal  
16 Service Occupation Tax Act by retailers and servicemen on  
17 transactions at places located in a State Sales Tax Boundary  
18 during the calendar year 1985.

19 (g-1) "Revised Initial Sales Tax Amounts" means the  
20 amount of taxes paid under the Retailers' Occupation Tax Act,  
21 Use Tax Act, Service Use Tax Act, the Service Occupation Tax  
22 Act, the Municipal Retailers' Occupation Tax Act, and the  
23 Municipal Service Occupation Tax Act by retailers and  
24 servicemen on transactions at places located within the State  
25 Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9)  
26 of this Act.

27 (h) "Municipal Sales Tax Increment" means an amount  
28 equal to the increase in the aggregate amount of taxes paid  
29 to a municipality from the Local Government Tax Fund arising  
30 from sales by retailers and servicemen within the  
31 redevelopment project area or State Sales Tax Boundary, as  
32 the case may be, for as long as the redevelopment project  
33 area or State Sales Tax Boundary, as the case may be, exist  
34 over and above the aggregate amount of taxes as certified by

1 the Illinois Department of Revenue and paid under the  
2 Municipal Retailers' Occupation Tax Act and the Municipal  
3 Service Occupation Tax Act by retailers and servicemen, on  
4 transactions at places of business located in the  
5 redevelopment project area or State Sales Tax Boundary, as  
6 the case may be, during the base year which shall be the  
7 calendar year immediately prior to the year in which the  
8 municipality adopted tax increment allocation financing. For  
9 purposes of computing the aggregate amount of such taxes for  
10 base years occurring prior to 1985, the Department of Revenue  
11 shall determine the Initial Sales Tax Amounts for such taxes  
12 and deduct therefrom an amount equal to 4% of the aggregate  
13 amount of taxes per year for each year the base year is prior  
14 to 1985, but not to exceed a total deduction of 12%. The  
15 amount so determined shall be known as the "Adjusted Initial  
16 Sales Tax Amounts". For purposes of determining the  
17 Municipal Sales Tax Increment, the Department of Revenue  
18 shall for each period subtract from the amount paid to the  
19 municipality from the Local Government Tax Fund arising from  
20 sales by retailers and servicemen on transactions located in  
21 the redevelopment project area or the State Sales Tax  
22 Boundary, as the case may be, the certified Initial Sales Tax  
23 Amounts, the Adjusted Initial Sales Tax Amounts or the  
24 Revised Initial Sales Tax Amounts for the Municipal  
25 Retailers' Occupation Tax Act and the Municipal Service  
26 Occupation Tax Act. For the State Fiscal Year 1989, this  
27 calculation shall be made by utilizing the calendar year 1987  
28 to determine the tax amounts received. For the State Fiscal  
29 Year 1990, this calculation shall be made by utilizing the  
30 period from January 1, 1988, until September 30, 1988, to  
31 determine the tax amounts received from retailers and  
32 servicemen pursuant to the Municipal Retailers' Occupation  
33 Tax and the Municipal Service Occupation Tax Act, which shall  
34 have deducted therefrom nine-twelfths of the certified

1 Initial Sales Tax Amounts, the Adjusted Initial Sales Tax  
2 Amounts or the Revised Initial Sales Tax Amounts as  
3 appropriate. For the State Fiscal Year 1991, this calculation  
4 shall be made by utilizing the period from October 1, 1988,  
5 to June 30, 1989, to determine the tax amounts received from  
6 retailers and servicemen pursuant to the Municipal Retailers'  
7 Occupation Tax and the Municipal Service Occupation Tax Act  
8 which shall have deducted therefrom nine-twelfths of the  
9 certified Initial Sales Tax Amounts, Adjusted Initial Sales  
10 Tax Amounts or the Revised Initial Sales Tax Amounts as  
11 appropriate. For every State Fiscal Year thereafter, the  
12 applicable period shall be the 12 months beginning July 1 and  
13 ending June 30 to determine the tax amounts received which  
14 shall have deducted therefrom the certified Initial Sales Tax  
15 Amounts, the Adjusted Initial Sales Tax Amounts or the  
16 Revised Initial Sales Tax Amounts, as the case may be.

17 (i) "Net State Sales Tax Increment" means the sum of the  
18 following: (a) 80% of the first \$100,000 of State Sales Tax  
19 Increment annually generated within a State Sales Tax  
20 Boundary; (b) 60% of the amount in excess of \$100,000 but not  
21 exceeding \$500,000 of State Sales Tax Increment annually  
22 generated within a State Sales Tax Boundary; and (c) 40% of  
23 all amounts in excess of \$500,000 of State Sales Tax  
24 Increment annually generated within a State Sales Tax  
25 Boundary. If, however, a municipality established a tax  
26 increment financing district in a county with a population in  
27 excess of 3,000,000 before January 1, 1986, and the  
28 municipality entered into a contract or issued bonds after  
29 January 1, 1986, but before December 31, 1986, to finance  
30 redevelopment project costs within a State Sales Tax  
31 Boundary, then the Net State Sales Tax Increment means, for  
32 the fiscal years beginning July 1, 1990, and July 1, 1991,  
33 100% of the State Sales Tax Increment annually generated  
34 within a State Sales Tax Boundary; and notwithstanding any

1 other provision of this Act, for those fiscal years the  
2 Department of Revenue shall distribute to those  
3 municipalities 100% of their Net State Sales Tax Increment  
4 before any distribution to any other municipality and  
5 regardless of whether or not those other municipalities will  
6 receive 100% of their Net State Sales Tax Increment. For  
7 Fiscal Year 1999, and every year thereafter until the year  
8 2007, for any municipality that has not entered into a  
9 contract or has not issued bonds prior to June 1, 1988 to  
10 finance redevelopment project costs within a State Sales Tax  
11 Boundary, the Net State Sales Tax Increment shall be  
12 calculated as follows: By multiplying the Net State Sales Tax  
13 Increment by 90% in the State Fiscal Year 1999; 80% in the  
14 State Fiscal Year 2000; 70% in the State Fiscal Year 2001;  
15 60% in the State Fiscal Year 2002; 50% in the State Fiscal  
16 Year 2003; 40% in the State Fiscal Year 2004; 30% in the  
17 State Fiscal Year 2005; 20% in the State Fiscal Year 2006;  
18 and 10% in the State Fiscal Year 2007. No payment shall be  
19 made for State Fiscal Year 2008 and thereafter.

20 Municipalities that issued bonds in connection with a  
21 redevelopment project in a redevelopment project area within  
22 the State Sales Tax Boundary prior to July 29, 1991, or that  
23 entered into contracts in connection with a redevelopment  
24 project in a redevelopment project area before June 1, 1988,  
25 shall continue to receive their proportional share of the  
26 Illinois Tax Increment Fund distribution until the date on  
27 which the redevelopment project is completed or terminated.  
28 If, however, a municipality that issued bonds in connection  
29 with a redevelopment project in a redevelopment project area  
30 within the State Sales Tax Boundary prior to July 29, 1991  
31 retires the bonds prior to June 30, 2007 or a municipality  
32 that entered into contracts in connection with a  
33 redevelopment project in a redevelopment project area before  
34 June 1, 1988 completes the contracts prior to June 30, 2007,

1 then so long as the redevelopment project is not completed or  
2 is not terminated, the Net State Sales Tax Increment shall be  
3 calculated, beginning on the date on which the bonds are  
4 retired or the contracts are completed, as follows: By  
5 multiplying the Net State Sales Tax Increment by 60% in the  
6 State Fiscal Year 2002; 50% in the State Fiscal Year 2003;  
7 40% in the State Fiscal Year 2004; 30% in the State Fiscal  
8 Year 2005; 20% in the State Fiscal Year 2006; and 10% in the  
9 State Fiscal Year 2007. No payment shall be made for State  
10 Fiscal Year 2008 and thereafter. Refunding of any bonds  
11 issued prior to July 29, 1991, shall not alter the Net State  
12 Sales Tax Increment.

13 (j) "State Utility Tax Increment Amount" means an amount  
14 equal to the aggregate increase in State electric and gas tax  
15 charges imposed on owners and tenants, other than residential  
16 customers, of properties located within the redevelopment  
17 project area under Section 9-222 of the Public Utilities Act,  
18 over and above the aggregate of such charges as certified by  
19 the Department of Revenue and paid by owners and tenants,  
20 other than residential customers, of properties within the  
21 redevelopment project area during the base year, which shall  
22 be the calendar year immediately prior to the year of the  
23 adoption of the ordinance authorizing tax increment  
24 allocation financing.

25 (k) "Net State Utility Tax Increment" means the sum of  
26 the following: (a) 80% of the first \$100,000 of State Utility  
27 Tax Increment annually generated by a redevelopment project  
28 area; (b) 60% of the amount in excess of \$100,000 but not  
29 exceeding \$500,000 of the State Utility Tax Increment  
30 annually generated by a redevelopment project area; and (c)  
31 40% of all amounts in excess of \$500,000 of State Utility Tax  
32 Increment annually generated by a redevelopment project area.  
33 For the State Fiscal Year 1999, and every year thereafter  
34 until the year 2007, for any municipality that has not

1 entered into a contract or has not issued bonds prior to June  
2 1, 1988 to finance redevelopment project costs within a  
3 redevelopment project area, the Net State Utility Tax  
4 Increment shall be calculated as follows: By multiplying the  
5 Net State Utility Tax Increment by 90% in the State Fiscal  
6 Year 1999; 80% in the State Fiscal Year 2000; 70% in the  
7 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;  
8 50% in the State Fiscal Year 2003; 40% in the State Fiscal  
9 Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
10 State Fiscal Year 2006; and 10% in the State Fiscal Year  
11 2007. No payment shall be made for the State Fiscal Year 2008  
12 and thereafter.

13 Municipalities that issue bonds in connection with the  
14 redevelopment project during the period from June 1, 1988  
15 until 3 years after the effective date of this Amendatory Act  
16 of 1988 shall receive the Net State Utility Tax Increment,  
17 subject to appropriation, for 15 State Fiscal Years after the  
18 issuance of such bonds. For the 16th through the 20th State  
19 Fiscal Years after issuance of the bonds, the Net State  
20 Utility Tax Increment shall be calculated as follows: By  
21 multiplying the Net State Utility Tax Increment by 90% in  
22 year 16; 80% in year 17; 70% in year 18; 60% in year 19; and  
23 50% in year 20. Refunding of any bonds issued prior to June  
24 1, 1988, shall not alter the revised Net State Utility Tax  
25 Increment payments set forth above.

26 (l) "Obligations" mean bonds, loans, debentures, notes,  
27 special certificates or other evidence of indebtedness issued  
28 by the municipality to carry out a redevelopment project or  
29 to refund outstanding obligations.

30 (m) "Payment in lieu of taxes" means those estimated tax  
31 revenues from real property in a redevelopment project area  
32 derived from real property that has been acquired by a  
33 municipality which according to the redevelopment project or  
34 plan is to be used for a private use which taxing districts

1 would have received had a municipality not acquired the real  
2 property and adopted tax increment allocation financing and  
3 which would result from levies made after the time of the  
4 adoption of tax increment allocation financing to the time  
5 the current equalized value of real property in the  
6 redevelopment project area exceeds the total initial  
7 equalized value of real property in said area.

8 (n) "Redevelopment plan" means the comprehensive program  
9 of the municipality for development or redevelopment intended  
10 by the payment of redevelopment project costs to reduce or  
11 eliminate those conditions the existence of which qualified  
12 the redevelopment project area as a "blighted area" or  
13 "conservation area" or combination thereof or "industrial  
14 park conservation area," and thereby to enhance the tax bases  
15 of the taxing districts which extend into the redevelopment  
16 project area. On and after November 1, 1999 (the effective  
17 date of Public Act 91-478), no redevelopment plan may be  
18 approved or amended that includes the development of vacant  
19 land (i) with a golf course and related clubhouse and other  
20 facilities or (ii) designated by federal, State, county, or  
21 municipal government as public land for outdoor recreational  
22 activities or for nature preserves and used for that purpose  
23 within 5 years prior to the adoption of the redevelopment  
24 plan. For the purpose of this subsection, "recreational  
25 activities" is limited to mean camping and hunting. Each  
26 redevelopment plan shall set forth in writing the program to  
27 be undertaken to accomplish the objectives and shall include  
28 but not be limited to:

29 (A) an itemized list of estimated redevelopment  
30 project costs;

31 (B) evidence indicating that the redevelopment  
32 project area on the whole has not been subject to growth  
33 and development through investment by private enterprise;

34 (C) an assessment of any financial impact of the

1 redevelopment project area on or any increased demand for  
2 services from any taxing district affected by the plan  
3 and any program to address such financial impact or  
4 increased demand;

5 (D) the sources of funds to pay costs;

6 (E) the nature and term of the obligations to be  
7 issued;

8 (F) the most recent equalized assessed valuation of  
9 the redevelopment project area;

10 (G) an estimate as to the equalized assessed  
11 valuation after redevelopment and the general land uses  
12 to apply in the redevelopment project area;

13 (H) a commitment to fair employment practices and  
14 an affirmative action plan;

15 (I) if it concerns an industrial park conservation  
16 area, the plan shall also include a general description  
17 of any proposed developer, user and tenant of any  
18 property, a description of the type, structure and  
19 general character of the facilities to be developed, a  
20 description of the type, class and number of new  
21 employees to be employed in the operation of the  
22 facilities to be developed; and

23 (J) if property is to be annexed to the  
24 municipality, the plan shall include the terms of the  
25 annexation agreement.

26 The provisions of items (B) and (C) of this subsection  
27 (n) shall not apply to a municipality that before March 14,  
28 1994 (the effective date of Public Act 88-537) had fixed,  
29 either by its corporate authorities or by a commission  
30 designated under subsection (k) of Section 11-74.4-4, a time  
31 and place for a public hearing as required by subsection (a)  
32 of Section 11-74.4-5. No redevelopment plan shall be adopted  
33 unless a municipality complies with all of the following  
34 requirements:

1           (1) The municipality finds that the redevelopment  
2 project area on the whole has not been subject to growth  
3 and development through investment by private enterprise  
4 and would not reasonably be anticipated to be developed  
5 without the adoption of the redevelopment plan.

6           (2) The municipality finds that the redevelopment  
7 plan and project conform to the comprehensive plan for  
8 the development of the municipality as a whole, or, for  
9 municipalities with a population of 100,000 or more,  
10 regardless of when the redevelopment plan and project was  
11 adopted, the redevelopment plan and project either: (i)  
12 conforms to the strategic economic development or  
13 redevelopment plan issued by the designated planning  
14 authority of the municipality, or (ii) includes land uses  
15 that have been approved by the planning commission of the  
16 municipality.

17           (3) The redevelopment plan establishes the  
18 estimated dates of completion of the redevelopment  
19 project and retirement of obligations issued to finance  
20 redevelopment project costs. Those dates shall not be  
21 later than December 31 of the year in which the payment  
22 to the municipal treasurer as provided in subsection (b)  
23 of Section 11-74.4-8 of this Act is to be made with  
24 respect to ad valorem taxes levied in the twenty-third  
25 calendar year after the year in which the ordinance  
26 approving the redevelopment project area is adopted if  
27 the ordinance was adopted on or after January 15, 1981,  
28 and not later than December 31 of the year in which the  
29 payment to the municipal treasurer as provided in  
30 subsection (b) of Section 11-74.4-8 of this Act is to be  
31 made with respect to ad valorem taxes levied in the  
32 thirty-fifth calendar year after the year in which the  
33 ordinance approving the redevelopment project area is  
34 adopted:

1 (A) if the ordinance was adopted before  
2 January 15, 1981, or

3 (B) if the ordinance was adopted in December  
4 1983, April 1984, July 1985, or December 1989, or

5 (C) if the ordinance was adopted in December  
6 1987 and the redevelopment project is located within  
7 one mile of Midway Airport, or

8 (D) if the ordinance was adopted before  
9 January 1, 1987 by a municipality in Mason County,  
10 or

11 (E) if the municipality is subject to the  
12 Local Government Financial Planning and Supervision  
13 Act or the Financially Distressed City Law, or

14 (F) if the ordinance was adopted in December  
15 1984 by the Village of Rosemont, or

16 (G) if the ordinance was adopted on December  
17 31, 1986 by a municipality located in Clinton County  
18 for which at least \$250,000 of tax increment bonds  
19 were authorized on June 17, 1997, or if the  
20 ordinance was adopted on December 31, 1986 by a  
21 municipality with a population in 1990 of less than  
22 3,600 that is located in a county with a population  
23 in 1990 of less than 34,000 and for which at least  
24 \$250,000 of tax increment bonds were authorized on  
25 June 17, 1997, or

26 (H) if the ordinance was adopted on October 5,  
27 1982 by the City of Kankakee, or if the ordinance  
28 was adopted on December 29, 1986 by East St. Louis,  
29 or

30 (I) if the ordinance was adopted on November  
31 12, 1991 by the Village of Sauget, or

32 (J) if the ordinance was adopted on February  
33 11, 1985 by the City of Rock Island, or

34 (K) if the ordinance was adopted before

- 1 December 18, 1986 by the City of Moline, or
- 2 (L) if the ordinance was adopted in September
- 3 1988 by Sauk Village, or
- 4 (M) if the ordinance was adopted in October
- 5 1993 by Sauk Village, or
- 6 (N) if the ordinance was adopted on December
- 7 29, 1986 by the City of Galva, or
- 8 (O) if the ordinance was adopted in March 1991
- 9 by the City of Centreville, or
- 10 (P) if the ordinance was adopted on January
- 11 23, 1991 by the City of East St. Louis, or
- 12 (Q) if the ordinance was adopted on December
- 13 22, 1986 by the City of Aledo, or
- 14 (R) if the ordinance was adopted on February
- 15 5, 1990 by the City of Clinton, or
- 16 (S) if the ordinance was adopted on September
- 17 6, 1994 by the City of Freeport, or
- 18 (T) if the ordinance was adopted on December
- 19 22, 1986 by the City of Tuscola, or
- 20 (U) if the ordinance was adopted on December
- 21 23, 1986 by the City of Sparta, or
- 22 (V) if the ordinance was adopted on December
- 23 23, 1986 by the City of Beardstown, or
- 24 (W) if the ordinance was adopted on April 27,
- 25 1981, October 21, 1985, or December 30, 1986 by the
- 26 City of Belleville, or
- 27 (X) if the ordinance was adopted on December
- 28 29, 1986 by the City of Collinsville, or
- 29 (Y) if the ordinance was adopted on September
- 30 14, 1994 by the City of Alton, or
- 31 (Z) if the ordinance was adopted on November
- 32 11, 1996 by the City of Lexington, or
- 33 (AA) if the ordinance was adopted on November
- 34 5, 1984 by the City of LeRoy, or

1           (BB) if the ordinance was adopted on April 3,  
2           1991 or June 3, 1992 by the City of Markham, or  
3           (CC) if the ordinance was adopted on May 9,  
4           1991 by the Village of Tilton.

5           However, for redevelopment project areas for which  
6           bonds were issued before July 29, 1991, or for which  
7           contracts were entered into before June 1, 1988, in  
8           connection with a redevelopment project in the area  
9           within the State Sales Tax Boundary, the estimated dates  
10          of completion of the redevelopment project and retirement  
11          of obligations to finance redevelopment project costs may  
12          be extended by municipal ordinance to December 31, 2013.  
13          The termination procedures of subsection (b) of Section  
14          11-74.4-8 are not required for these redevelopment  
15          project areas in 2009 but are required in 2013. The  
16          extension allowed by this amendatory Act of 1993 shall  
17          not apply to real property tax increment allocation  
18          financing under Section 11-74.4-8.

19          A municipality may by municipal ordinance amend an  
20          existing redevelopment plan to conform to this paragraph  
21          (3) as amended by Public Act 91-478, which municipal  
22          ordinance may be adopted without further hearing or  
23          notice and without complying with the procedures provided  
24          in this Act pertaining to an amendment to or the initial  
25          approval of a redevelopment plan and project and  
26          designation of a redevelopment project area.

27          Those dates, for purposes of real property tax  
28          increment allocation financing pursuant to Section  
29          11-74.4-8 only, shall be not more than 35 years for  
30          redevelopment project areas that were adopted on or after  
31          December 16, 1986 and for which at least \$8 million worth  
32          of municipal bonds were authorized on or after December  
33          19, 1989 but before January 1, 1990; provided that the  
34          municipality elects to extend the life of the

1 redevelopment project area to 35 years by the adoption of  
2 an ordinance after at least 14 but not more than 30 days'  
3 written notice to the taxing bodies, that would otherwise  
4 constitute the joint review board for the redevelopment  
5 project area, before the adoption of the ordinance.

6 Those dates, for purposes of real property tax  
7 increment allocation financing pursuant to Section  
8 11-74.4-8 only, shall be not more than 35 years for  
9 redevelopment project areas that were established on or  
10 after December 1, 1981 but before January 1, 1982 and for  
11 which at least \$1,500,000 worth of tax increment revenue  
12 bonds were authorized on or after September 30, 1990 but  
13 before July 1, 1991; provided that the municipality  
14 elects to extend the life of the redevelopment project  
15 area to 35 years by the adoption of an ordinance after at  
16 least 14 but not more than 30 days' written notice to the  
17 taxing bodies, that would otherwise constitute the joint  
18 review board for the redevelopment project area, before  
19 the adoption of the ordinance.

20 (3.5) The municipality finds, in the case of an  
21 industrial park conservation area, also that the  
22 municipality is a labor surplus municipality and that the  
23 implementation of the redevelopment plan will reduce  
24 unemployment, create new jobs and by the provision of new  
25 facilities enhance the tax base of the taxing districts  
26 that extend into the redevelopment project area.

27 (4) If any incremental revenues are being utilized  
28 under Section 8(a)(1) or 8(a)(2) of this Act in  
29 redevelopment project areas approved by ordinance after  
30 January 1, 1986, the municipality finds: (a) that the  
31 redevelopment project area would not reasonably be  
32 developed without the use of such incremental revenues,  
33 and (b) that such incremental revenues will be  
34 exclusively utilized for the development of the

1 redevelopment project area.

2 (5) If the redevelopment plan will not result in  
3 displacement of residents from 10 or more inhabited  
4 residential units, and the municipality certifies in the  
5 plan that such displacement will not result from the  
6 plan, a housing impact study need not be performed. If,  
7 however, the redevelopment plan would result in the  
8 displacement of residents from 10 or more inhabited  
9 residential units, or if the redevelopment project area  
10 contains 75 or more inhabited residential units and no  
11 certification is made, then the municipality shall  
12 prepare, as part of the separate feasibility report  
13 required by subsection (a) of Section 11-74.4-5, a  
14 housing impact study.

15 Part I of the housing impact study shall include (i)  
16 data as to whether the residential units are single  
17 family or multi-family units, (ii) the number and type of  
18 rooms within the units, if that information is available,  
19 (iii) whether the units are inhabited or uninhabited, as  
20 determined not less than 45 days before the date that the  
21 ordinance or resolution required by subsection (a) of  
22 Section 11-74.4-5 is passed, and (iv) data as to the  
23 racial and ethnic composition of the residents in the  
24 inhabited residential units. The data requirement as to  
25 the racial and ethnic composition of the residents in the  
26 inhabited residential units shall be deemed to be fully  
27 satisfied by data from the most recent federal census.

28 Part II of the housing impact study shall identify  
29 the inhabited residential units in the proposed  
30 redevelopment project area that are to be or may be  
31 removed. If inhabited residential units are to be  
32 removed, then the housing impact study shall identify (i)  
33 the number and location of those units that will or may  
34 be removed, (ii) the municipality's plans for relocation

1 assistance for those residents in the proposed  
2 redevelopment project area whose residences are to be  
3 removed, (iii) the availability of replacement housing  
4 for those residents whose residences are to be removed,  
5 and shall identify the type, location, and cost of the  
6 housing, and (iv) the type and extent of relocation  
7 assistance to be provided.

8 (6) On and after November 1, 1999, the housing  
9 impact study required by paragraph (5) shall be  
10 incorporated in the redevelopment plan for the  
11 redevelopment project area.

12 (7) On and after November 1, 1999, no redevelopment  
13 plan shall be adopted, nor an existing plan amended, nor  
14 shall residential housing that is occupied by households  
15 of low-income and very low-income persons in currently  
16 existing redevelopment project areas be removed after  
17 November 1, 1999 unless the redevelopment plan provides,  
18 with respect to inhabited housing units that are to be  
19 removed for households of low-income and very low-income  
20 persons, affordable housing and relocation assistance not  
21 less than that which would be provided under the federal  
22 Uniform Relocation Assistance and Real Property  
23 Acquisition Policies Act of 1970 and the regulations  
24 under that Act, including the eligibility criteria.  
25 Affordable housing may be either existing or newly  
26 constructed housing. For purposes of this paragraph (7),  
27 "low-income households", "very low-income households",  
28 and "affordable housing" have the meanings set forth in  
29 the Illinois Affordable Housing Act. The municipality  
30 shall make a good faith effort to ensure that this  
31 affordable housing is located in or near the  
32 redevelopment project area within the municipality.

33 (8) On and after November 1, 1999, if, after the  
34 adoption of the redevelopment plan for the redevelopment

1 project area, any municipality desires to amend its  
2 redevelopment plan to remove more inhabited residential  
3 units than specified in its original redevelopment plan,  
4 that change shall be made in accordance with the  
5 procedures in subsection (c) of Section 11-74.4-5.

6 (9) For redevelopment project areas designated  
7 prior to November 1, 1999, the redevelopment plan may be  
8 amended without further joint review board meeting or  
9 hearing, provided that the municipality shall give notice  
10 of any such changes by mail to each affected taxing  
11 district and registrant on the interested party registry,  
12 to authorize the municipality to expend tax increment  
13 revenues for redevelopment project costs defined by  
14 paragraphs (5) and (7.5), subparagraphs (E) and (F) of  
15 paragraph (11), and paragraph (11.5) of subsection (q) of  
16 Section 11-74.4-3, so long as the changes do not increase  
17 the total estimated redevelopment project costs set out  
18 in the redevelopment plan by more than 5% after  
19 adjustment for inflation from the date the plan was  
20 adopted.

21 (o) "Redevelopment project" means any public and private  
22 development project in furtherance of the objectives of a  
23 redevelopment plan. On and after November 1, 1999 (the  
24 effective date of Public Act 91-478), no redevelopment plan  
25 may be approved or amended that includes the development of  
26 vacant land (i) with a golf course and related clubhouse and  
27 other facilities or (ii) designated by federal, State,  
28 county, or municipal government as public land for outdoor  
29 recreational activities or for nature preserves and used for  
30 that purpose within 5 years prior to the adoption of the  
31 redevelopment plan. For the purpose of this subsection,  
32 "recreational activities" is limited to mean camping and  
33 hunting.

34 (p) "Redevelopment project area" means an area

1 designated by the municipality, which is not less in the  
2 aggregate than 1 1/2 acres and in respect to which the  
3 municipality has made a finding that there exist conditions  
4 which cause the area to be classified as an industrial park  
5 conservation area or a blighted area or a conservation area,  
6 or a combination of both blighted areas and conservation  
7 areas.

8 (q) "Redevelopment project costs" mean and include the  
9 sum total of all reasonable or necessary costs incurred or  
10 estimated to be incurred, and any such costs incidental to a  
11 redevelopment plan and a redevelopment project. Such costs  
12 include, without limitation, the following:

13 (1) Costs of studies, surveys, development of  
14 plans, and specifications, implementation and  
15 administration of the redevelopment plan including but  
16 not limited to staff and professional service costs for  
17 architectural, engineering, legal, financial, planning or  
18 other services, provided however that no charges for  
19 professional services may be based on a percentage of the  
20 tax increment collected; except that on and after  
21 November 1, 1999 (the effective date of Public Act  
22 91-478), no contracts for professional services,  
23 excluding architectural and engineering services, may be  
24 entered into if the terms of the contract extend beyond a  
25 period of 3 years. In addition, "redevelopment project  
26 costs" shall not include lobbying expenses. After  
27 consultation with the municipality, each tax increment  
28 consultant or advisor to a municipality that plans to  
29 designate or has designated a redevelopment project area  
30 shall inform the municipality in writing of any contracts  
31 that the consultant or advisor has entered into with  
32 entities or individuals that have received, or are  
33 receiving, payments financed by tax increment revenues  
34 produced by the redevelopment project area with respect

1 to which the consultant or advisor has performed, or will  
2 be performing, service for the municipality. This  
3 requirement shall be satisfied by the consultant or  
4 advisor before the commencement of services for the  
5 municipality and thereafter whenever any other contracts  
6 with those individuals or entities are executed by the  
7 consultant or advisor;

8 (1.5) After July 1, 1999, annual administrative  
9 costs shall not include general overhead or  
10 administrative costs of the municipality that would still  
11 have been incurred by the municipality if the  
12 municipality had not designated a redevelopment project  
13 area or approved a redevelopment plan;

14 (1.6) The cost of marketing sites within the  
15 redevelopment project area to prospective businesses,  
16 developers, and investors;

17 (2) Property assembly costs, including but not  
18 limited to acquisition of land and other property, real  
19 or personal, or rights or interests therein, demolition  
20 of buildings, site preparation, site improvements that  
21 serve as an engineered barrier addressing ground level or  
22 below ground environmental contamination, including, but  
23 not limited to parking lots and other concrete or asphalt  
24 barriers, and the clearing and grading of land;

25 (3) Costs of rehabilitation, reconstruction or  
26 repair or remodeling of existing public or private  
27 buildings, fixtures, and leasehold improvements; and the  
28 cost of replacing an existing public building if pursuant  
29 to the implementation of a redevelopment project the  
30 existing public building is to be demolished to use the  
31 site for private investment or devoted to a different use  
32 requiring private investment;

33 (4) Costs of the construction of public works or  
34 improvements, except that on and after November 1, 1999,

1 redevelopment project costs shall not include the cost of  
2 constructing a new municipal public building principally  
3 used to provide offices, storage space, or conference  
4 facilities or vehicle storage, maintenance, or repair for  
5 administrative, public safety, or public works personnel  
6 and that is not intended to replace an existing public  
7 building as provided under paragraph (3) of subsection  
8 (q) of Section 11-74.4-3 unless either (i) the  
9 construction of the new municipal building implements a  
10 redevelopment project that was included in a  
11 redevelopment plan that was adopted by the municipality  
12 prior to November 1, 1999 or (ii) the municipality makes  
13 a reasonable determination in the redevelopment plan,  
14 supported by information that provides the basis for that  
15 determination, that the new municipal building is  
16 required to meet an increase in the need for public  
17 safety purposes anticipated to result from the  
18 implementation of the redevelopment plan;

19 (5) Costs of job training and retraining projects,  
20 including the cost of "welfare to work" programs  
21 implemented by businesses located within the  
22 redevelopment project area;

23 (6) Financing costs, including but not limited to  
24 all necessary and incidental expenses related to the  
25 issuance of obligations and which may include payment of  
26 interest on any obligations issued hereunder including  
27 interest accruing during the estimated period of  
28 construction of any redevelopment project for which such  
29 obligations are issued and for not exceeding 36 months  
30 thereafter and including reasonable reserves related  
31 thereto;

32 (7) To the extent the municipality by written  
33 agreement accepts and approves the same, all or a portion  
34 of a taxing district's capital costs resulting from the

1 redevelopment project necessarily incurred or to be  
2 incurred within a taxing district in furtherance of the  
3 objectives of the redevelopment plan and project.

4 (7.5) For redevelopment project areas designated  
5 (or redevelopment project areas amended to add or  
6 increase the number of tax-increment-financing assisted  
7 housing units) on or after November 1, 1999, an  
8 elementary, secondary, or unit school district's  
9 increased costs attributable to assisted housing units  
10 located within the redevelopment project area for which  
11 the developer or redeveloper receives financial  
12 assistance through an agreement with the municipality or  
13 because the municipality incurs the cost of necessary  
14 infrastructure improvements within the boundaries of the  
15 assisted housing sites necessary for the completion of  
16 that housing as authorized by this Act, and which costs  
17 shall be paid by the municipality from the Special Tax  
18 Allocation Fund when the tax increment revenue is  
19 received as a result of the assisted housing units and  
20 shall be calculated annually as follows:

21 (A) for foundation districts, excluding any  
22 school district in a municipality with a population  
23 in excess of 1,000,000, by multiplying the  
24 district's increase in attendance resulting from the  
25 net increase in new students enrolled in that school  
26 district who reside in housing units within the  
27 redevelopment project area that have received  
28 financial assistance through an agreement with the  
29 municipality or because the municipality incurs the  
30 cost of necessary infrastructure improvements within  
31 the boundaries of the housing sites necessary for  
32 the completion of that housing as authorized by this  
33 Act since the designation of the redevelopment  
34 project area by the most recently available per

1           capita tuition cost as defined in Section 10-20.12a  
2           of the School Code less any increase in general  
3           State aid as defined in Section 18-8.05 of the  
4           School Code attributable to these added new students  
5           subject to the following annual limitations:

6                   (i) for unit school districts with a  
7                   district average 1995-96 Per Capita Tuition  
8                   Charge of less than \$5,900, no more than 25% of  
9                   the total amount of property tax increment  
10                  revenue produced by those housing units that  
11                  have received tax increment finance assistance  
12                  under this Act;

13                  (ii) for elementary school districts with  
14                  a district average 1995-96 Per Capita Tuition  
15                  Charge of less than \$5,900, no more than 17% of  
16                  the total amount of property tax increment  
17                  revenue produced by those housing units that  
18                  have received tax increment finance assistance  
19                  under this Act; and

20                  (iii) for secondary school districts with  
21                  a district average 1995-96 Per Capita Tuition  
22                  Charge of less than \$5,900, no more than 8% of  
23                  the total amount of property tax increment  
24                  revenue produced by those housing units that  
25                  have received tax increment finance assistance  
26                  under this Act.

27           (B) For alternate method districts, flat grant  
28           districts, and foundation districts with a district  
29           average 1995-96 Per Capita Tuition Charge equal to  
30           or more than \$5,900, excluding any school district  
31           with a population in excess of 1,000,000, by  
32           multiplying the district's increase in attendance  
33           resulting from the net increase in new students  
34           enrolled in that school district who reside in

1 housing units within the redevelopment project area  
2 that have received financial assistance through an  
3 agreement with the municipality or because the  
4 municipality incurs the cost of necessary  
5 infrastructure improvements within the boundaries of  
6 the housing sites necessary for the completion of  
7 that housing as authorized by this Act since the  
8 designation of the redevelopment project area by the  
9 most recently available per capita tuition cost as  
10 defined in Section 10-20.12a of the School Code less  
11 any increase in general state aid as defined in  
12 Section 18-8.05 of the School Code attributable to  
13 these added new students subject to the following  
14 annual limitations:

15 (i) for unit school districts, no more  
16 than 40% of the total amount of property tax  
17 increment revenue produced by those housing  
18 units that have received tax increment finance  
19 assistance under this Act;

20 (ii) for elementary school districts, no  
21 more than 27% of the total amount of property  
22 tax increment revenue produced by those housing  
23 units that have received tax increment finance  
24 assistance under this Act; and

25 (iii) for secondary school districts, no  
26 more than 13% of the total amount of property  
27 tax increment revenue produced by those housing  
28 units that have received tax increment finance  
29 assistance under this Act.

30 (C) For any school district in a municipality  
31 with a population in excess of 1,000,000, the  
32 following restrictions shall apply to the  
33 reimbursement of increased costs under this  
34 paragraph (7.5):

1 (i) no increased costs shall be  
2 reimbursed unless the school district certifies  
3 that each of the schools affected by the  
4 assisted housing project is at or over its  
5 student capacity;

6 (ii) the amount reimburseable shall be  
7 reduced by the value of any land donated to the  
8 school district by the municipality or  
9 developer, and by the value of any physical  
10 improvements made to the schools by the  
11 municipality or developer; and

12 (iii) the amount reimbursed may not  
13 affect amounts otherwise obligated by the terms  
14 of any bonds, notes, or other funding  
15 instruments, or the terms of any redevelopment  
16 agreement.

17 Any school district seeking payment under this  
18 paragraph (7.5) shall, after July 1 and before  
19 September 30 of each year, provide the municipality  
20 with reasonable evidence to support its claim for  
21 reimbursement before the municipality shall be  
22 required to approve or make the payment to the  
23 school district. If the school district fails to  
24 provide the information during this period in any  
25 year, it shall forfeit any claim to reimbursement  
26 for that year. School districts may adopt a  
27 resolution waiving the right to all or a portion of  
28 the reimbursement otherwise required by this  
29 paragraph (7.5). By acceptance of this  
30 reimbursement the school district waives the right  
31 to directly or indirectly set aside, modify, or  
32 contest in any manner the establishment of the  
33 redevelopment project area or projects;

34 (8) Relocation costs to the extent that a

1 municipality determines that relocation costs shall be  
2 paid or is required to make payment of relocation costs  
3 by federal or State law or in order to satisfy  
4 subparagraph (7) of subsection (n);

5 (9) Payment in lieu of taxes;

6 (10) Costs of job training, retraining, advanced  
7 vocational education or career education, including but  
8 not limited to courses in occupational, semi-technical or  
9 technical fields leading directly to employment, incurred  
10 by one or more taxing districts, provided that such costs  
11 (i) are related to the establishment and maintenance of  
12 additional job training, advanced vocational education or  
13 career education programs for persons employed or to be  
14 employed by employers located in a redevelopment project  
15 area; and (ii) when incurred by a taxing district or  
16 taxing districts other than the municipality, are set  
17 forth in a written agreement by or among the municipality  
18 and the taxing district or taxing districts, which  
19 agreement describes the program to be undertaken,  
20 including but not limited to the number of employees to  
21 be trained, a description of the training and services to  
22 be provided, the number and type of positions available  
23 or to be available, itemized costs of the program and  
24 sources of funds to pay for the same, and the term of the  
25 agreement. Such costs include, specifically, the payment  
26 by community college districts of costs pursuant to  
27 Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public  
28 Community College Act and by school districts of costs  
29 pursuant to Sections 10-22.20a and 10-23.3a of The School  
30 Code;

31 (11) Interest cost incurred by a redeveloper  
32 related to the construction, renovation or rehabilitation  
33 of a redevelopment project provided that:

34 (A) such costs are to be paid directly from

1 the special tax allocation fund established pursuant  
2 to this Act;

3 (B) such payments in any one year may not  
4 exceed 30% of the annual interest costs incurred by  
5 the redeveloper with regard to the redevelopment  
6 project during that year;

7 (C) if there are not sufficient funds  
8 available in the special tax allocation fund to make  
9 the payment pursuant to this paragraph (11) then the  
10 amounts so due shall accrue and be payable when  
11 sufficient funds are available in the special tax  
12 allocation fund;

13 (D) the total of such interest payments paid  
14 pursuant to this Act may not exceed 30% of the total  
15 (i) cost paid or incurred by the redeveloper for the  
16 redevelopment project plus (ii) redevelopment  
17 project costs excluding any property assembly costs  
18 and any relocation costs incurred by a municipality  
19 pursuant to this Act; and

20 (E) the cost limits set forth in subparagraphs  
21 (B) and (D) of paragraph (11) shall be modified for  
22 the financing of rehabilitated or new housing units  
23 for low-income households and very low-income  
24 households, as defined in Section 3 of the Illinois  
25 Affordable Housing Act. The percentage of 75% shall  
26 be substituted for 30% in subparagraphs (B) and (D)  
27 of paragraph (11).

28 (F) Instead of the eligible costs provided by  
29 subparagraphs (B) and (D) of paragraph (11), as  
30 modified by this subparagraph, and notwithstanding  
31 any other provisions of this Act to the contrary,  
32 the municipality may pay from tax increment revenues  
33 up to 50% of the cost of construction of new housing  
34 units to be occupied by low-income households and

1 very low-income households as defined in Section 3  
2 of the Illinois Affordable Housing Act. The cost of  
3 construction of those units may be derived from the  
4 proceeds of bonds issued by the municipality under  
5 this Act or other constitutional or statutory  
6 authority or from other sources of municipal revenue  
7 that may be reimbursed from tax increment revenues  
8 or the proceeds of bonds issued to finance the  
9 construction of that housing.

10 The eligible costs provided under this  
11 subparagraph (F) of paragraph (11) shall be an  
12 eligible cost for the construction, renovation, and  
13 rehabilitation of all low and very low-income  
14 housing units, as defined in Section 3 of the  
15 Illinois Affordable Housing Act, within the  
16 redevelopment project area. If the low and very  
17 low-income units are part of a residential  
18 redevelopment project that includes units not  
19 affordable to low and very low-income households,  
20 only the low and very low-income units shall be  
21 eligible for benefits under subparagraph (F) of  
22 paragraph (11). The standards for maintaining the  
23 occupancy by low-income households and very  
24 low-income households, as defined in Section 3 of  
25 the Illinois Affordable Housing Act, of those units  
26 constructed with eligible costs made available under  
27 the provisions of this subparagraph (F) of paragraph  
28 (11) shall be established by guidelines adopted by  
29 the municipality. The responsibility for annually  
30 documenting the initial occupancy of the units by  
31 low-income households and very low-income  
32 households, as defined in Section 3 of the Illinois  
33 Affordable Housing Act, shall be that of the then  
34 current owner of the property. For ownership units,

1 the guidelines will provide, at a minimum, for a  
2 reasonable recapture of funds, or other appropriate  
3 methods designed to preserve the original  
4 affordability of the ownership units. For rental  
5 units, the guidelines will provide, at a minimum,  
6 for the affordability of rent to low and very  
7 low-income households. As units become available,  
8 they shall be rented to income-eligible tenants. The  
9 municipality may modify these guidelines from time  
10 to time; the guidelines, however, shall be in effect  
11 for as long as tax increment revenue is being used  
12 to pay for costs associated with the units or for  
13 the retirement of bonds issued to finance the units  
14 or for the life of the redevelopment project area,  
15 whichever is later.

16 (11.5) If the redevelopment project area is located  
17 within a municipality with a population of more than  
18 100,000, the cost of day care services for children of  
19 employees from low-income families working for businesses  
20 located within the redevelopment project area and all or  
21 a portion of the cost of operation of day care centers  
22 established by redevelopment project area businesses to  
23 serve employees from low-income families working in  
24 businesses located in the redevelopment project area.  
25 For the purposes of this paragraph, "low-income families"  
26 means families whose annual income does not exceed 80% of  
27 the municipal, county, or regional median income,  
28 adjusted for family size, as the annual income and  
29 municipal, county, or regional median income are  
30 determined from time to time by the United States  
31 Department of Housing and Urban Development.

32 (12) Unless explicitly stated herein the cost of  
33 construction of new privately-owned buildings shall not  
34 be an eligible redevelopment project cost.

1           (13) After November 1, 1999 (the effective date of  
2 Public Act 91-478), none of the redevelopment project  
3 costs enumerated in this subsection shall be eligible  
4 redevelopment project costs if those costs would provide  
5 direct financial support to a retail entity initiating  
6 operations in the redevelopment project area while  
7 terminating operations at another Illinois location  
8 within 10 miles of the redevelopment project area but  
9 outside the boundaries of the redevelopment project area  
10 municipality. For purposes of this paragraph,  
11 termination means a closing of a retail operation that is  
12 directly related to the opening of the same operation or  
13 like retail entity owned or operated by more than 50% of  
14 the original ownership in a redevelopment project area,  
15 but it does not mean closing an operation for reasons  
16 beyond the control of the retail entity, as documented by  
17 the retail entity, subject to a reasonable finding by the  
18 municipality that the current location contained  
19 inadequate space, had become economically obsolete, or  
20 was no longer a viable location for the retailer or  
21 serviceman.

22           If a special service area has been established pursuant  
23 to the Special Service Area Tax Act or Special Service Area  
24 Tax Law, then any tax increment revenues derived from the tax  
25 imposed pursuant to the Special Service Area Tax Act or  
26 Special Service Area Tax Law may be used within the  
27 redevelopment project area for the purposes permitted by that  
28 Act or Law as well as the purposes permitted by this Act.

29           (r) "State Sales Tax Boundary" means the redevelopment  
30 project area or the amended redevelopment project area  
31 boundaries which are determined pursuant to subsection (9) of  
32 Section 11-74.4-8a of this Act. The Department of Revenue  
33 shall certify pursuant to subsection (9) of Section  
34 11-74.4-8a the appropriate boundaries eligible for the

1 determination of State Sales Tax Increment.

2 (s) "State Sales Tax Increment" means an amount equal to  
3 the increase in the aggregate amount of taxes paid by  
4 retailers and servicemen, other than retailers and servicemen  
5 subject to the Public Utilities Act, on transactions at  
6 places of business located within a State Sales Tax Boundary  
7 pursuant to the Retailers' Occupation Tax Act, the Use Tax  
8 Act, the Service Use Tax Act, and the Service Occupation Tax  
9 Act, except such portion of such increase that is paid into  
10 the State and Local Sales Tax Reform Fund, the Local  
11 Government Distributive Fund, the Local Government Tax  
12 Fund and the County and Mass Transit District Fund, for as  
13 long as State participation exists, over and above the  
14 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts  
15 or the Revised Initial Sales Tax Amounts for such taxes as  
16 certified by the Department of Revenue and paid under those  
17 Acts by retailers and servicemen on transactions at places of  
18 business located within the State Sales Tax Boundary during  
19 the base year which shall be the calendar year immediately  
20 prior to the year in which the municipality adopted tax  
21 increment allocation financing, less 3.0% of such amounts  
22 generated under the Retailers' Occupation Tax Act, Use Tax  
23 Act and Service Use Tax Act and the Service Occupation Tax  
24 Act, which sum shall be appropriated to the Department of  
25 Revenue to cover its costs of administering and enforcing  
26 this Section. For purposes of computing the aggregate amount  
27 of such taxes for base years occurring prior to 1985, the  
28 Department of Revenue shall compute the Initial Sales Tax  
29 Amount for such taxes and deduct therefrom an amount equal to  
30 4% of the aggregate amount of taxes per year for each year  
31 the base year is prior to 1985, but not to exceed a total  
32 deduction of 12%. The amount so determined shall be known as  
33 the "Adjusted Initial Sales Tax Amount". For purposes of  
34 determining the State Sales Tax Increment the Department of

1 Revenue shall for each period subtract from the tax amounts  
2 received from retailers and servicemen on transactions  
3 located in the State Sales Tax Boundary, the certified  
4 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts  
5 or Revised Initial Sales Tax Amounts for the Retailers'  
6 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act  
7 and the Service Occupation Tax Act. For the State Fiscal  
8 Year 1989 this calculation shall be made by utilizing the  
9 calendar year 1987 to determine the tax amounts received. For  
10 the State Fiscal Year 1990, this calculation shall be made by  
11 utilizing the period from January 1, 1988, until September  
12 30, 1988, to determine the tax amounts received from  
13 retailers and servicemen, which shall have deducted therefrom  
14 nine-twelfths of the certified Initial Sales Tax Amounts,  
15 Adjusted Initial Sales Tax Amounts or the Revised Initial  
16 Sales Tax Amounts as appropriate. For the State Fiscal Year  
17 1991, this calculation shall be made by utilizing the period  
18 from October 1, 1988, until June 30, 1989, to determine the  
19 tax amounts received from retailers and servicemen, which  
20 shall have deducted therefrom nine-twelfths of the certified  
21 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax  
22 Amounts or the Revised Initial Sales Tax Amounts as  
23 appropriate. For every State Fiscal Year thereafter, the  
24 applicable period shall be the 12 months beginning July 1 and  
25 ending on June 30, to determine the tax amounts received  
26 which shall have deducted therefrom the certified Initial  
27 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the  
28 Revised Initial Sales Tax Amounts. Municipalities intending  
29 to receive a distribution of State Sales Tax Increment must  
30 report a list of retailers to the Department of Revenue by  
31 October 31, 1988 and by July 31, of each year thereafter.

32 (t) "Taxing districts" means counties, townships, cities  
33 and incorporated towns and villages, school, road, park,  
34 sanitary, mosquito abatement, forest preserve, public health,

1 fire protection, river conservancy, tuberculosis sanitarium  
2 and any other municipal corporations or districts with the  
3 power to levy taxes.

4 (u) "Taxing districts' capital costs" means those costs  
5 of taxing districts for capital improvements that are found  
6 by the municipal corporate authorities to be necessary and  
7 directly result from the redevelopment project.

8 (v) As used in subsection (a) of Section 11-74.4-3 of  
9 this Act, "vacant land" means any parcel or combination of  
10 parcels of real property without industrial, commercial, and  
11 residential buildings which has not been used for commercial  
12 agricultural purposes within 5 years prior to the designation  
13 of the redevelopment project area, unless the parcel is  
14 included in an industrial park conservation area or the  
15 parcel has been subdivided; provided that if the parcel was  
16 part of a larger tract that has been divided into 3 or more  
17 smaller tracts that were accepted for recording during the  
18 period from 1950 to 1990, then the parcel shall be deemed to  
19 have been subdivided, and all proceedings and actions of the  
20 municipality taken in that connection with respect to any  
21 previously approved or designated redevelopment project area  
22 or amended redevelopment project area are hereby validated  
23 and hereby declared to be legally sufficient for all purposes  
24 of this Act. For purposes of this Section and only for land  
25 subject to the subdivision requirements of the Plat Act, land  
26 is subdivided when the original plat of the proposed  
27 Redevelopment Project Area or relevant portion thereof has  
28 been properly certified, acknowledged, approved, and recorded  
29 or filed in accordance with the Plat Act and a preliminary  
30 plat, if any, for any subsequent phases of the proposed  
31 Redevelopment Project Area or relevant portion thereof has  
32 been properly approved and filed in accordance with the  
33 applicable ordinance of the municipality.

34 (w) "Annual Total Increment" means the sum of each

1 municipality's annual Net Sales Tax Increment and each  
2 municipality's annual Net Utility Tax Increment. The ratio  
3 of the Annual Total Increment of each municipality to the  
4 Annual Total Increment for all municipalities, as most  
5 recently calculated by the Department, shall determine the  
6 proportional shares of the Illinois Tax Increment Fund to be  
7 distributed to each municipality.

8 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02;  
9 92-624, eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff.  
10 7-23-03.)

11 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

12 Sec. 11-74.4-7. Obligations secured by the special tax  
13 allocation fund set forth in Section 11-74.4-8 for the  
14 redevelopment project area may be issued to provide for  
15 redevelopment project costs. Such obligations, when so  
16 issued, shall be retired in the manner provided in the  
17 ordinance authorizing the issuance of such obligations by the  
18 receipts of taxes levied as specified in Section 11-74.4-9  
19 against the taxable property included in the area, by  
20 revenues as specified by Section 11-74.4-8a and other revenue  
21 designated by the municipality. A municipality may in the  
22 ordinance pledge all or any part of the funds in and to be  
23 deposited in the special tax allocation fund created pursuant  
24 to Section 11-74.4-8 to the payment of the redevelopment  
25 project costs and obligations. Any pledge of funds in the  
26 special tax allocation fund shall provide for distribution to  
27 the taxing districts and to the Illinois Department of  
28 Revenue of moneys not required, pledged, earmarked, or  
29 otherwise designated for payment and securing of the  
30 obligations and anticipated redevelopment project costs and  
31 such excess funds shall be calculated annually and deemed to  
32 be "surplus" funds. In the event a municipality only applies  
33 or pledges a portion of the funds in the special tax

1 allocation fund for the payment or securing of anticipated  
2 redevelopment project costs or of obligations, any such funds  
3 remaining in the special tax allocation fund after complying  
4 with the requirements of the application or pledge, shall  
5 also be calculated annually and deemed "surplus" funds. All  
6 surplus funds in the special tax allocation fund shall be  
7 distributed annually within 180 days after the close of the  
8 municipality's fiscal year by being paid by the municipal  
9 treasurer to the County Collector, to the Department of  
10 Revenue and to the municipality in direct proportion to the  
11 tax incremental revenue received as a result of an increase  
12 in the equalized assessed value of property in the  
13 redevelopment project area, tax incremental revenue received  
14 from the State and tax incremental revenue received from the  
15 municipality, but not to exceed as to each such source the  
16 total incremental revenue received from that source. The  
17 County Collector shall thereafter make distribution to the  
18 respective taxing districts in the same manner and proportion  
19 as the most recent distribution by the county collector to  
20 the affected districts of real property taxes from real  
21 property in the redevelopment project area.

22 Without limiting the foregoing in this Section, the  
23 municipality may in addition to obligations secured by the  
24 special tax allocation fund pledge for a period not greater  
25 than the term of the obligations towards payment of such  
26 obligations any part or any combination of the following: (a)  
27 net revenues of all or part of any redevelopment project; (b)  
28 taxes levied and collected on any or all property in the  
29 municipality; (c) the full faith and credit of the  
30 municipality; (d) a mortgage on part or all of the  
31 redevelopment project; or (e) any other taxes or anticipated  
32 receipts that the municipality may lawfully pledge.

33 Such obligations may be issued in one or more series  
34 bearing interest at such rate or rates as the corporate

1 authorities of the municipality shall determine by ordinance.  
2 Such obligations shall bear such date or dates, mature at  
3 such time or times not exceeding 20 years from their  
4 respective dates, be in such denomination, carry such  
5 registration privileges, be executed in such manner, be  
6 payable in such medium of payment at such place or places,  
7 contain such covenants, terms and conditions, and be subject  
8 to redemption as such ordinance shall provide. Obligations  
9 issued pursuant to this Act may be sold at public or private  
10 sale at such price as shall be determined by the corporate  
11 authorities of the municipalities. No referendum approval of  
12 the electors shall be required as a condition to the issuance  
13 of obligations pursuant to this Division except as provided  
14 in this Section.

15 In the event the municipality authorizes issuance of  
16 obligations pursuant to the authority of this Division  
17 secured by the full faith and credit of the municipality,  
18 which obligations are other than obligations which may be  
19 issued under home rule powers provided by Article VII,  
20 Section 6 of the Illinois Constitution, or pledges taxes  
21 pursuant to (b) or (c) of the second paragraph of this  
22 section, the ordinance authorizing the issuance of such  
23 obligations or pledging such taxes shall be published within  
24 10 days after such ordinance has been passed in one or more  
25 newspapers, with general circulation within such  
26 municipality. The publication of the ordinance shall be  
27 accompanied by a notice of (1) the specific number of voters  
28 required to sign a petition requesting the question of the  
29 issuance of such obligations or pledging taxes to be  
30 submitted to the electors; (2) the time in which such  
31 petition must be filed; and (3) the date of the prospective  
32 referendum. The municipal clerk shall provide a petition  
33 form to any individual requesting one.

34 If no petition is filed with the municipal clerk, as

1 hereinafter provided in this Section, within 30 days after  
2 the publication of the ordinance, the ordinance shall be in  
3 effect. But, if within that 30 day period a petition is  
4 filed with the municipal clerk, signed by electors in the  
5 municipality numbering 10% or more of the number of  
6 registered voters in the municipality, asking that the  
7 question of issuing obligations using full faith and credit  
8 of the municipality as security for the cost of paying for  
9 redevelopment project costs, or of pledging taxes for the  
10 payment of such obligations, or both, be submitted to the  
11 electors of the municipality, the corporate authorities of  
12 the municipality shall call a special election in the manner  
13 provided by law to vote upon that question, or, if a general,  
14 State or municipal election is to be held within a period of  
15 not less than 30 or more than 90 days from the date such  
16 petition is filed, shall submit the question at the next  
17 general, State or municipal election. If it appears upon the  
18 canvass of the election by the corporate authorities that a  
19 majority of electors voting upon the question voted in favor  
20 thereof, the ordinance shall be in effect, but if a majority  
21 of the electors voting upon the question are not in favor  
22 thereof, the ordinance shall not take effect.

23 The ordinance authorizing the obligations may provide  
24 that the obligations shall contain a recital that they are  
25 issued pursuant to this Division, which recital shall be  
26 conclusive evidence of their validity and of the regularity  
27 of their issuance.

28 In the event the municipality authorizes issuance of  
29 obligations pursuant to this Section secured by the full  
30 faith and credit of the municipality, the ordinance  
31 authorizing the obligations may provide for the levy and  
32 collection of a direct annual tax upon all taxable property  
33 within the municipality sufficient to pay the principal  
34 thereof and interest thereon as it matures, which levy may be

1 in addition to and exclusive of the maximum of all other  
2 taxes authorized to be levied by the municipality, which  
3 levy, however, shall be abated to the extent that monies from  
4 other sources are available for payment of the obligations  
5 and the municipality certifies the amount of said monies  
6 available to the county clerk.

7 A certified copy of such ordinance shall be filed with  
8 the county clerk of each county in which any portion of the  
9 municipality is situated, and shall constitute the authority  
10 for the extension and collection of the taxes to be deposited  
11 in the special tax allocation fund.

12 A municipality may also issue its obligations to refund  
13 in whole or in part, obligations theretofore issued by such  
14 municipality under the authority of this Act, whether at or  
15 prior to maturity, provided however, that the last maturity  
16 of the refunding obligations shall not be expressed to mature  
17 later than December 31 of the year in which the payment to  
18 the municipal treasurer as provided in subsection (b) of  
19 Section 11-74.4-8 of this Act is to be made with respect to  
20 ad valorem taxes levied in the twenty-third calendar year  
21 after the year in which the ordinance approving the  
22 redevelopment project area is adopted if the ordinance was  
23 adopted on or after January 15, 1981, and not later than  
24 December 31 of the year in which the payment to the municipal  
25 treasurer as provided in subsection (b) of Section 11-74.4-8  
26 of this Act is to be made with respect to ad valorem taxes  
27 levied in the thirty-fifth calendar year after the year in  
28 which the ordinance approving the redevelopment project area  
29 is adopted (A) if the ordinance was adopted before January  
30 15, 1981, or (B) if the ordinance was adopted in December  
31 1983, April 1984, July 1985, or December 1989, or (C) if the  
32 ordinance was adopted in December, 1987 and the redevelopment  
33 project is located within one mile of Midway Airport, or (D)  
34 if the ordinance was adopted before January 1, 1987 by a

1 municipality in Mason County, or (E) if the municipality is  
2 subject to the Local Government Financial Planning and  
3 Supervision Act or the Financially Distressed City Law, or  
4 (F) if the ordinance was adopted in December 1984 by the  
5 Village of Rosemont, or (G) if the ordinance was adopted on  
6 December 31, 1986 by a municipality located in Clinton County  
7 for which at least \$250,000 of tax increment bonds were  
8 authorized on June 17, 1997, or if the ordinance was adopted  
9 on December 31, 1986 by a municipality with a population in  
10 1990 of less than 3,600 that is located in a county with a  
11 population in 1990 of less than 34,000 and for which at least  
12 \$250,000 of tax increment bonds were authorized on June 17,  
13 1997, or (H) if the ordinance was adopted on October 5, 1982  
14 by the City of Kankakee, or (I) if the ordinance was adopted  
15 on December 29, 1986 by East St. Louis, or if the ordinance  
16 was adopted on November 12, 1991 by the Village of Sauget, or  
17 (J) if the ordinance was adopted on February 11, 1985 by the  
18 City of Rock Island, or (K) if the ordinance was adopted  
19 before December 18, 1986 by the City of Moline, or (L) if the  
20 ordinance was adopted in September 1988 by Sauk Village, or  
21 (M) if the ordinance was adopted in October 1993 by Sauk  
22 Village, or (N) if the ordinance was adopted on December 29,  
23 1986 by the City of Galva, or (O) if the ordinance was  
24 adopted in March 1991 by the City of Centreville, or (P) if  
25 the ordinance was adopted on January 23, 1991 by the City of  
26 East St. Louis, or (Q) if the ordinance was adopted on  
27 December 22, 1986 by the City of Aledo, or (R) if the  
28 ordinance was adopted on February 5, 1990 by the City of  
29 Clinton, or (S) if the ordinance was adopted on September 6,  
30 1994 by the City of Freeport, or (T) if the ordinance was  
31 adopted on December 22, 1986 by the City of Tuscola, or (U)  
32 if the ordinance was adopted on December 23, 1986 by the City  
33 of Sparta, or (V) if the ordinance was adopted on December  
34 23, 1986 by the City of Beardstown, or (W) if the ordinance

1 was adopted on April 27, 1981, October 21, 1985, or December  
2 30, 1986 by the City of Belleville, or (X) if the ordinance  
3 was adopted on December 29, 1986 by the City of Collinsville,  
4 or (Y) if the ordinance was adopted on September 14, 1994 by  
5 the City of Alton, or (Z) if the ordinance was adopted on  
6 November 11, 1996 by the City of Lexington, or (AA) if the  
7 ordinance was adopted on November 5, 1984 by the City of  
8 LeRoy, or (BB) if the ordinance was adopted on April 3, 1991  
9 or June 3, 1992 by the City of Markham, or (CC) if the  
10 ordinance was adopted on May 9, 1991 by the Village of Tilton  
11 and, for redevelopment project areas for which bonds were  
12 issued before July 29, 1991, in connection with a  
13 redevelopment project in the area within the State Sales Tax  
14 Boundary and which were extended by municipal ordinance under  
15 subsection (n) of Section 11-74.4-3, the last maturity of the  
16 refunding obligations shall not be expressed to mature later  
17 than the date on which the redevelopment project area is  
18 terminated or December 31, 2013, whichever date occurs first.

19 In the event a municipality issues obligations under home  
20 rule powers or other legislative authority the proceeds of  
21 which are pledged to pay for redevelopment project costs, the  
22 municipality may, if it has followed the procedures in  
23 conformance with this division, retire said obligations from  
24 funds in the special tax allocation fund in amounts and in  
25 such manner as if such obligations had been issued pursuant  
26 to the provisions of this division.

27 All obligations heretofore or hereafter issued pursuant  
28 to this Act shall not be regarded as indebtedness of the  
29 municipality issuing such obligations or any other taxing  
30 district for the purpose of any limitation imposed by law.

31 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02;  
32 92-624, eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff.  
33 7-23-03.)

1           Section 99. Effective date. This Act takes effect upon  
2 becoming law.